

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission)	
On Its Own Motion)	
)	20-NOI-01
Notice of Inquiry Regarding)	
Energy Affordability)	

**NICOR GAS COMPANY’S INITIAL COMMENTS
TO NOTICE OF INQUIRY**

Northern Illinois Gas Company d/b/a Nicor Gas Company (“Nicor Gas” or the “Company”), through its undersigned attorneys, respectfully submits the following Initial Comments (“Initial Comments”) in response to certain questions and issues raised in the Illinois Commerce Commission’s (the “Commission” or “ICC”) Notice of Inquiry (“NOI”) Regarding Energy Affordability, initiated on March 18, 2020. In providing the following Initial Comments, Nicor Gas has endeavored to respond to the questions and issues addressed to both utilities and interested persons. Nevertheless, Nicor Gas submits that there may be items in the NOI that are more suitably addressed by other parties.

I. INTRODUCTION

Nicor Gas has a longstanding commitment to providing its customers adequate, reliable, efficient, safe, and reasonably priced energy services consistent with the findings and intent of the General Assembly as expressed in Section 1-102 of the Public Utilities Act (the “Act”), 220 ILCS 5/1-102.

Nicor Gas also is committed to informing and connecting its customers to available energy assistance funding and programs, such as the Low Income Home Energy Assistance Program (“LIHEAP”), the Percentage of Income Payment Plan (“PIPP”), the Nicor Gas Energy Aide Program, the Nicor Gas Sharing Program, and the Illinois Home Weatherization Assistance Program (“IHWAP”). Among other methods used to communicate this information to customers, Nicor Gas’ website provides details on certain of the energy assistance programs offered to residential customers.¹ Nicor Gas also works to assist customers having difficulty paying their bills by implementing and/or providing information about payment arrangements, community agencies, energy efficiency measures, and other ways to reduce and manage energy bills. These measures and programs help to ensure that utility services remain affordable and available to all Illinois citizens, especially low income and vulnerable customers.

While Nicor Gas responds to the questions contained in the NOI, it notes that the NOI does not provide a specific context for the contemplated use or application of the referenced data and definitions. The Company’s responses provided below and in the attachments hereto are not intended to address other concepts or issues that would need to be considered if the referenced data and definitions may be applied in some future context, such as providing for the utility’s

¹ See <https://www.nicorgas.com/residential/billingandpaymentoptions/energy-assistance-programs.html>.

recovery of prudently and reasonably incurred costs. Moreover, as some of the referenced concepts would potentially involve, in practice, obtaining, maintaining, and/or tracking data or information that is not currently maintained by the utility in the ordinary course of business, the costs of such activities should be another factor the Commission takes into account in considering possible application of the concepts addressed in the questions in the NOI.

In sum, Nicor Gas remains committed to providing for and facilitating energy assistance for its customers. The Company appreciates the opportunity to participate in this NOI and looks forward to further discussions with the ICC and Staff.

II. NICOR GAS' COMMENTS IN RESPONSE TO THE ICC'S QUESTIONS

A. Information and Reporting

- 1. Please provide the following information. Please provide the information by month and calendar year for periods beginning with January 1, 2013 and through December 31, 2019. If the information is not available, please address the feasibility of providing the information and include any recommendations regarding the format and other relevant parameters related to filing the information.**

- a. the number of residential customer accounts that were disconnected during the period for non-payment and that remained disconnected (displacement) during the entire period;**

Nicor Gas Response:

Nicor Gas' Attachment A1.1 submitted with these Initial Comments provides the information requested by this question. While Nicor Gas is able to provide the requested information by year, it is not feasible to provide the specific information requested by month.

- b. the number of residential customer accounts that were disconnected during the period and reconnected within 12 months;**

Nicor Gas Response:

Nicor Gas' Attachment A1.2 submitted with these Initial Comments provides the information requested by this question. While Nicor Gas is able to provide the requested information by year, it is not feasible to provide the specific information requested by month.

- c. **the number of residential customer accounts that received service and had past due balances;**

Nicor Gas Response:

Nicor Gas' Attachment A1.3 submitted with these Initial Comments provides the information requested by this question. Please note that the counts of customers who started service with balances transferred during their service start includes residential customers with late pay charges on their unpaid final bill or with a late payment on their final bill.

- d. **the number of residential customer accounts that were on deferred payment arrangements;**

Nicor Gas Response:

Nicor Gas' Attachment A1.4 submitted with these Initial Comments provides the information requested by this question.

- e. **the number of residential customer accounts that were on an arrearage reduction program;**

Nicor Gas Response:

Nicor Gas understands the phrase "an arrearage reduction program" to refer to an Arrearage Reduction Program ("ARP") or Supplemental Arrearage Reduction Program ("SARP") as referenced in Section 18 of the Energy Assistance Act, 305 ILCS 20/18. Nicor Gas' Attachment A1.5 submitted with these Initial Comments provides the information requested by this question. Except for new enrollments, drops, or ARP balance pay offs, the same customers participate in a PIPP ARP each month. In order to avoid counting the same customers multiple times, Nicor Gas' Attachment A1.5 reflects total active PIPP customers with an active ARP as of December 31 of the corresponding year (except for 2015 where the data reflects such customers as of June 30, 2015 when PIPP was suspended).

- f. **the number of residential customer accounts for which the utility required a deposit and the average size of residential deposits;**

Nicor Gas Response:

Nicor Gas' Attachment A1.6 submitted with these Initial Comments provides the information requested by this question.

- g. the number of residential customer accounts that provided a medical certificate in response to a disconnection notice;**

Nicor Gas Response:

Nicor Gas' Attachment A1.7 submitted with these Initial Comments provides the information requested by this question.

- h. the amount of payment and the number of residential customer accounts that received bill payment assistance, including but not limited to low income energy assistance programs such as the Low-Income Home Energy Assistance Program (LIHEAP), state programs such as the Percentage of Income Payment Program (PIPP), utility programs, and social service programs such as Catholic Charities, Salvation Army or other charitable service organizations.**

Nicor Gas Response:

Nicor Gas' Attachment A1.8 submitted with these Initial Comments provides the information requested by this question. Please note that the numbers include data from the following programs: LIHEAP, PIPP, and the Nicor Gas Sharing program.

- 2. Please provide the following information. Please provide this information by census block, census block group, census tract, zip code, zip code plus four and/or as many categories as you have available. Please provide the information both by month and calendar year for periods beginning with January 1, 2013 and through December 31, 2019. If the information is not available, please address the feasibility of providing the information and include any recommendations regarding the format and other relevant parameters related to filing the information.**

Nicor Gas Response:

Please see the individual responses below and the referenced attachments for each of the listed data points. Nicor Gas has provided the requested information by zip code when available.

- a. Number of accounts that received:**
 - (i) LIHEAP–Direct Vendor Payment**

Nicor Gas Response:

Nicor Gas' Attachment A2.1 submitted with these Initial Comments provides the information requested by this question.

(ii) LIHEAP Reconnection/Emergency Assistance

Nicor Gas Response:

Nicor Gas' Attachment A2.1 submitted with these Initial Comments provides the information requested by this question.

(iii) Participated in PIPP.

Nicor Gas Response:

Nicor Gas' Attachment A2.2 submitted with these Initial Comments provides the information requested by this question. While Nicor Gas is able to provide the requested information by year, it is not feasible to provide the specific information requested by month. The data reflects total active PIPP customers as of December 31 of the corresponding year (except for 2015 where the data reflects PIPP customers as of June 30, 2015 when PIPP was suspended).

b. Number of accounts that entered into a Deferred Payment Agreement (DPA) and:

(i) Average arrearage amount

Nicor Gas Response:

Nicor Gas' Attachment A2.3 submitted with these Initial Comments provides the information requested by this question.

(ii) Average monthly installment payment amount

Nicor Gas Response:

Nicor Gas' Attachment A2.3 submitted with these Initial Comments provides the information requested by this question.

(iii) Average length of DPA

Nicor Gas Response:

Nicor Gas' Attachment A2.3 submitted with these Initial Comments provides the information requested by this question.

(iv) Number of DPAs by length of DPA (number of months)

Nicor Gas Response:

Nicor Gas' Attachment A2.4 submitted with these Initial Comments provides the information requested by this question.

(v) Number of DPA defaults

Nicor Gas Response:

Nicor Gas' Attachment A2.5 submitted with these Initial Comments provides the information requested by this question.

(vi) Number of DPA reinstatements

Nicor Gas Response:

Nicor Gas' Attachment A2.6 submitted with these Initial Comments provides the information requested by this question.

(vii) Number of DPA renegotiations

Nicor Gas Response:

Nicor Gas' Attachment A2.7 submitted with these Initial Comments provides the information requested by this question.

(viii) Number of DPA successfully completed

Nicor Gas Response:

Nicor Gas' Attachment A2.8 submitted with these Initial Comments provides the information requested by this question.

(ix) Number of accounts that received energy service from an independent (natural gas or electricity) provider.

Nicor Gas Response:

Nicor Gas' Attachment A2.9 submitted with these Initial Comments provides the information requested by this question with respect to customers that received energy service from an independent natural gas provider.

- c. Number of accounts that were involuntarily disconnected for non-payment, including the number of such accounts that received energy service from a competitive retail (natural gas or electricity) provider.**

Nicor Gas Response:

Nicor Gas' Attachments A2.10 and A2.11 submitted with these Initial Comments provide the information requested by this question with respect to all customers and, separately, customers that received energy service from a competitive retail natural gas provider. The customers that received energy service from a competitive retail natural gas provider reflected in Attachment A2.11 are included in the total customer figures reflected in Attachment A2.10.

- d. Number of accounts that were involuntarily disconnected during the period and that also had been disconnected previously within 24 months for non-payment.**

Nicor Gas Response:

Nicor Gas' Attachment A2.12 submitted with these Initial Comments provides the information requested by this question.

- e. Number of accounts that were involuntarily disconnected for furnace redtag.**

Nicor Gas Response:

Nicor Gas' Attachments A2.13 and A2.14 submitted with these Initial Comments provides the information requested by this question. For purposes of information provided for the pre-2017 time periods in Attachment A2.13, Nicor Gas assumed the involvement of a red-tagged appliance even though the codes used in Nicor Gas' system during those periods could be interpreted as involving a red-tagged appliance or potentially involving a non-appliance issue.

- f. Number of accounts that were on an arrearage reduction program.**

Nicor Gas Response:

Nicor Gas understands the phrase "an arrearage reduction program" to refer to an ARP or SARP as referenced in Section 18 of the Energy Assistance Act, 305 ILCS 20/18. Nicor Gas' Attachment A2.15 submitted with these Initial Comments provides the information requested by this question. While Nicor Gas is able to provide the requested information by year, it is not feasible to provide the specific information requested by

month. The data reflects total active PIPP customers with an active ARP as of December 31 of the corresponding year (except for 2015 where the data reflects such customers as of June 30, 2015 when PIPP was suspended).

- g. Number of chapter 7 or chapter 13 bankruptcies notices received where the utility is listed as a creditor.**

Nicor Gas Response:

Nicor Gas' Attachment A2.16 submitted with these Initial Comments provides the information requested by this question.

- h. Is the above information by census block, census block group, census tract, zip code, or zip code plus four available electronically for mapping purposes? If not, why not and how can mapping be enabled with the information maintained by the utility?**

Nicor Gas Response:

The majority of the above requested information is currently available by zip code and Nicor Gas has provided the information by zip code when available. Nicor Gas is unaware of what the request is intended to refer to in its use of the phrase "for mapping purposes" and, therefore, is unable to respond further.

B. Credit and Collections Practices

- 1. Please identify and describe formal, written, and informal collection practice procedures.**

Nicor Gas Response:

Nicor Gas' collection practices and procedures include the following: identifying customers with late payments; contacting those customers in an effort to obtain payment; providing delinquent customers with information about possible options, including payment plans and assistance programs; serving disconnection notices; implementing disconnections; and pursuing collection activities.

Customers with late payments are identified on a weekly aging of receivables report and contacted by the Company via U.S. mail and outbound dialer phone campaigns. Customers are provided information by trained Customer Service Representatives (CSRs) or other resources about the multiple options available to them when they fall behind in paying their Nicor Gas bill. These options include payment arrangements, budget plan, medical program, RECON, LIHEAP, Percent of Income Payment Program, Salvation Army Sharing Program and the Illinois Patriot Act. Bill Messages, Energy Spotlight bill inserts, and the Nicor

Gas website are also used as tools to inform customers of the many options available to them. The Nicor Gas website provides detailed information to customers regarding available financial assistance programs and agencies, and provides guides that customers may download for easy reference.²

Nicor Gas pursues collection activities that include a combination of assessing deposits, outbound collections such as automated phone calls at various stages of delinquency, live agent phone calls, letters, disconnection notices, severance of service activities, and collection agencies. Collection campaigns are designed for customer circumstances such as multiple returned or cancelled payments, defaulted deferred payment arrangements, commercial accounts, master metered accounts, new accounts that fail to make a single payment, and tenants and landlords. Accounts that terminate service with Nicor Gas are pursued through a final bill model and the use of collection agencies. Collection campaigns are designed to avoid disconnection of service including Deferred Payment Arrangements and referral to LIHEAP for customers that need financial assistance.

Accounts are scheduled for disconnection after reasonable collection efforts have been exhausted. Accounts are determined for disconnection based on a combination of amount of delinquency, length of delinquency and customer payment history. In all circumstances, the rules set forth in Title 83 Illinois Administrative Code Part 280 are followed. Nicor Gas serves written disconnection notices via U.S. mail and email if an email address for the customer is known. Customers can avoid disconnection up to the time of severance by making payment or entering into a payment arrangement. Disconnections that cannot be completed due to no inside access, animals, or obstructions are rescheduled.

2. If actual collection practices are different from formal or written procedures, explain the rationale for the modification.

Nicor Gas Response:

As a general course of action, Nicor Gas' formal and written collection procedures are consistently applied and followed. However, there may be isolated situations where actual practices deviate from formal procedures based on specific customer needs and circumstances.

3. Identify how you can improve your existing collection practices and any plans for doing so.

Nicor Gas Response:

Nicor Gas is always looking for ways to improve and enhance its collection practices. Specifically, the Company has explored ways to better use modern

² See <https://www.nicorgas.com/residential/billingandpaymentoptions/energy-assistance-programs.html>.

technology to facilitate communication, as well as increasing ways that customers can self-serve. Ideas for future automation include the use of text messaging and emails to allow a customer to pay via text or email.

4. Please identify and describe the training for utility representatives who interact with consumers (Customer Services Representatives or CSRs) and the tools available for consumers who have billing issues, such as:

Nicor Gas Response:

Please see the individual responses below for each of the listed topics. In general, Nicor Gas provides the following training to its call center employees who interact with customers:

- New employee training addresses all of the Company's collection activities, energy assistance information, fraud, and available payment programs, which include DPAs, budget billing, and auto pay option.
- An annual refresher on collection activities, energy assistance information, fraud, and the payment programs.

In addition to direct interaction with call center employees, there are self-serve options available to customers, which may be accessed by telephone (interactive voice response or "IVR") or the Company's "MyAccount" platform available on Nicor Gas' website.³ Customers also may access information about payment programs on Nicor Gas' website.⁴

Nicor Gas field personnel also are provided with reference cards to hand out to customers with information on energy assistance.

a. determining consumers' ability to pay their bills and challenges for consumers in doing so

Nicor Gas Response:

Assessing consumers' ability to pay their bills and any related challenges are addressed in the training program developed for Nicor Gas call center employees, and further addressed in News Flash reminders and talking points with updated program information provided to call center employees.

³ See <https://csp.aglr.com/MyAccount/User/Login?LDC=7>.

⁴ See <https://www.nicorgas.com/residential/billingandpaymentoptions/energy-assistance-programs.html>.

b. eligibility for public or private bill assistance

Nicor Gas Response:

Nicor Gas call center employees are trained on where to find information to educate customers, whether on the Company's internal systems or through external resources, and field employees are provided with reference cards to provide to customers needing assistance.

c. referrals to assistance programs and community services

Nicor Gas Response:

Nicor Gas call center employees have been trained to educate customers about and refer customers to available energy assistance programs.

d. consumer communication impediments.

Nicor Gas Response:

Nicor Gas call center employees are able to refer to information available on the Company's website and access to flyers. Field employees have reference cards to provide to customers needing assistance.

5. Please identify and describe tools used to encourage payment, including but not limited to detailed terms of deferred payment arrangements (including length of pay-back period and amount of payments), waiver of fees, and other discretionary accommodations.

Nicor Gas Response:

Nicor Gas incorporates by reference its response to Question B1 above. In addition, the Company identifies the below-referenced tools that encourage payment:

Nicor Gas' auto pay option is a way for customers to set up future automatic payments, which ensures payments are made on time and minimizes the administration of managing payments on a monthly basis.

Text messaging and email reminders are effective prompts to remind customers that they have a payment due or a past due balance before the actual due date.

As detailed above, Nicor Gas' website has information that customers can review for payment options and energy assistance.

- 6. Please identify and describe tools to reduce delinquencies and disconnections, including new or expanded bill affordability programs such as percentage of income payment plans, discount rates, consumer education, expanding existing shutoff protections, customer payment plans, and flexible bill due dates.**

Nicor Gas Response:

Nicor Gas incorporates by reference its responses to Questions B1 and B5 above. In addition, Nicor Gas submits that flexible due dates help customers align their income schedule with their due date.

C. Definitions

- 1. How should the following terms be defined? Are there federal or other state standards or guidelines that more clearly define these terms?**

Nicor Gas Response:

As noted above, Nicor Gas has a longstanding commitment to providing its customers adequate, reliable, efficient, safe, and reasonably priced energy services consistent with the findings and intent of the General Assembly as expressed in Section 1-102 of the Act. 220 ILCS 5/1-102. Nicor Gas also is committed to informing and connecting its customers to available energy assistance funding and programs, including, but not limited to, LIHEAP, PIPP, the Nicor Gas Sharing Program, and IHWAP. Additional information regarding these and other energy assistance programs are found on Nicor Gas' website.⁵ Nicor Gas also works to assist customers having difficulty paying their bills by implementing and/or providing information about payment arrangements, community agencies, energy efficiency measures, and other ways to reduce and manage energy bills. These measures and programs help to ensure that utility services remain affordable and available to all Illinois citizens, especially low income and vulnerable customers.

While Nicor Gas provides information for the Commission's consideration around the identified terms listed below, it notes that this question does not provide a specific context for the use or application of the terms. The information that Nicor Gas provides below is not intended to address other concepts or issues that would need to be considered if the referenced definitions may be applied in some future context, such as providing for the utility's recovery of prudently and reasonably incurred costs. Moreover, as some of these terms would potentially involve, in practice, obtaining, maintaining, and/or tracking data or information that is not currently maintained by the utility in the ordinary course of business,

⁵ See <https://www.nicorgas.com/residential/billingandpaymentoptions/energy-assistance-programs.html>.

the costs of such activities should be another factor the Commission takes into account in considering possible application of these terms.

a. Affordability

Nicor Gas Response:

Statutory Background: The Act refers to affordability and affordable rates in various sections with respect to various utility services, but does not explicitly define affordability. *See, e.g.*, 220 ILCS 5/1-102(d)(viii) (“It is further declared that the goals and objectives of such regulation shall be to ensure ... the fair treatment of consumers and investors in order that ... the rates for utility services are affordable and therefore preserve the availability of such services to all citizens.”); 220 ILCS 5/5-111(a) (The General Assembly finds “that in order for a natural gas utility to provide safe, reliable, and affordable service to the State's current and future utility customers, a utility must refurbish, rebuild, modernize, and expand its infrastructure and adequately train its workforce on appropriate operations procedures and policies designed to effectively maintain its infrastructure.”); 220 ILCS 5/8-208(a) (The General Assembly “declare[s] to be the public policy of this State that prudent investments in or contributions to projects that foster the availability of adequate, affordable housing furthers the goals and objectives of this Act.”); 220 ILCS 5/16-101A(a) (“The electrical utility system in the State of Illinois has historically been subject to State and federal regulation, aimed at assuring the citizens and businesses of the State of safe, reliable, and affordable service, while at the same time assuring the utility system of a return on its investment.”); 220 ILCS 5/16-111.5(d)(4) (“The Commission shall approve the procurement plan, including expressly the forecast used in the procurement plan, if the Commission determines that it will ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability.”); 220 ILCS 5/19-130 (“Solutions proposed by the Office [of Retail Market Development] to promote retail competition must also promote safe, reliable, and affordable natural gas service.”); 220 ILCS 5/20-110 (“Solutions proposed by the Office to promote retail competition must also promote safe, reliable, and affordable electric service.”).

The term “affordability” is similarly not explicitly defined in the Energy Assistance Act (“EAA”). 305 ILCS 20/1 *et seq.* However, for purposes of administration of the PIPP program, the EAA addresses eligibility in terms of a percentage of household income formula relative to the poverty level, providing, in pertinent part, as follows:

Credits will be applied to PIP Plan participants’ utility bills based on the portion of the bill that is the responsibility of the participant provided that the percentage shall be no more than a total of 6% of the relevant income for gas and electric utility bills combined, but in any event no less than \$10 per month, unless the household does

not pay directly for heat, in which case its payment shall be 2.4% of income but in any event no less than \$5 per month.

305 ILCS 20/18(c)(2). While this language does not explicitly define “affordability,” it does identify household income as a metric that may be considered by the Commission in assessing affordability.

b. Low-Income

Nicor Gas Response:

As noted above, the EAA sets limits on eligibility for LIHEAP and PIPP based on household income as a percentage of the poverty level. This limit varies in the EAA based on applicable dates. It also appears that this threshold could vary over time based on available funding for such programs and other changing circumstances. Recent changes implemented by the Illinois Department of Commerce and Economic Opportunity with respect to income thresholds in response to the COVID-19 pandemic demonstrate the need for flexibility in this area to respond to and address changing circumstances. Thus, it does not appear practical for the Commission to define or limit a definition of low income as a certain fixed percentage of the poverty level.

Part 280 of the Commission’s rules provides, in pertinent part, as follows:

“Low Income Customer” means a residential customer who has qualified under the income criteria of Section 6 of the Energy Assistance Act of 1989 [305 ILCS 20/6].

83 Ill. Adm. Code § 280.20.

The Commission has been presented with other definitions of low income customer. For example, for purposes of certain metrics reported in Commonwealth Edison Company’s (“ComEd”) Annual Implementation Progress Reports, ComEd’s Advanced Metering Infrastructure Deployment Plan defined low income customers “as those customers participating in the Low Income Home Energy Assistance Program (LIHEAP), the Residential Special Hardship Program, the CHA All Clear program, or the Percentage of Income Payment Program (PIPP).” ComEd 2020 AIPR, Appendix A at A-10 – A-11.⁶ As noted elsewhere in these Initial Comments, Nicor Gas tracks information indicating if customers participate in LIHEAP or PIPP.

Nicor Gas submits that the Commission appropriately may consider this prior experience in developing any definition for “low income.”

⁶ Available at <https://www.icc.illinois.gov/downloads/public/2020%20ComEd%20AMI%20Report.pdf>.

c. Critical Medical Needs Customers

Nicor Gas Response:

The definition of this term, or the practical ability of utilities to determine if customers fit within the definition, may be impacted by the type of utility service at issue. For instance, Section 8-204 of the Act provides as follows:

Every public utility company which furnishes electricity to residential customers shall (a) maintain a registry of those individuals who are dependent on an electrically operated respirator, dialysis machine or any other electrically operated life-support equipment, and (b) identify with a special tag each meter used in conjunction with the provision of electric service to such individuals. The existence of the registry shall be reasonably publicized by the public utility to its residential customers and the general public. It shall be the responsibility, however, of any individual relying on any life-support equipment to notify the public utility providing electrical service of his or her dependency on such life-support equipment.

220 ILCS 5/8-204. Nicor Gas also notes that all utilities may receive medical certifications per Section 280.160 of the Commission's rules. 83 Ill. Adm. Code § 280.160. Nicor Gas submits that consideration should be given to these concepts in developing any definition of Critical Medical Needs Customers.

d. Delinquency

Nicor Gas Response:

The context in which this term would potentially apply is not indicated. Nor is this term defined in the Act or Part 280 of the Commission's rules. However, the related term "current" is defined in Part 280 as the status of a customer's utility account when there are no past due amounts owing on the account for utility services, including amounts owing for deposits, deferred payment arrangements or medical payment arrangements." 83 Ill. Adm. Code § 280.20. Nicor Gas submits that "delinquency" should generally be defined as any customer account which is not "current" as defined in Part 280.

e. Disconnection

Nicor Gas Response:

While the term "disconnection" is used extensively in the Act and Part 280 of the Commission's rules, it is not explicitly defined. Nicor Gas submits that the meaning of this term is commonly understood to mean and describe when utility service is intentionally turned off at a specific premise by any available means. Nicor Gas submits that disconnection, as used in this NOI, is not intended to refer

to the temporary loss of service due to the cessation of service on a distribution line or main for emergency or safety reasons. The means by which utility service is disconnected can vary and includes turning off and locking a service line valve, removing a meter and cutting a service line, or using remote disconnect capabilities (*e.g.*, via an AMI meter for electric service). Similarly, the reasons for a disconnection can vary from a customer request to non-payment of bills to a response to tampering by a specific customer. If the intended context is with respect to affordability, the Commission may want to consider limiting the definition to situations where the reason for a disconnection is a delinquency.

f. Displacement

Nicor Gas Response:

As noted in the NARUC Resolution referenced in the NOI, in the context of utility service disconnection the term “displacement” generally refers to the situation where “a customer once disconnected who does not ever reconnect to service at the same address.” Resolution of Best Practices in Data Collection and Reporting for Utility Services Delinquencies in Payments and Disconnections of Service, adopted by NASUCA November 18, 2019 and adopted by the NARUC Board of Directors, November 19, 2019 at 2. In the context of this NOI, Nicor Gas submits that any definition of displacement should consider limiting the definition to situations where the reason for a disconnection was a delinquency.

g. Reconnection

Nicor Gas Response:

While the term “reconnection” is used extensively in Part 280 of the Commission’s rules, it is not explicitly defined. Nicor Gas submits that the meaning of this term is commonly understood to mean and describe when utility service is turned on at a specific premise following a disconnection for the same customer.

h. Vulnerable Customers

Nicor Gas Response:

Conceptually, Nicor Gas understands “vulnerable customers” to refer to those customers who are susceptible to loss of utility service for economic or certain other reasons as well as customers who are at an increased risk of adverse consequences from the loss of utility service. Nicor Gas also understands that, in the context of certain metrics involving “vulnerable customers” reported pursuant to ComEd’s AMI Plan, stakeholders agreed to define and identify vulnerable customers as customers belonging to the following customer groups:

1. Low income
2. Very young (from birth to age 5)
3. Older individuals (age 65 and older)
4. Those who have limited English proficiency or literacy
5. Individuals with a functional disability, such as impaired mobility
6. Persons who are socially isolated

See ComEd 2020 AIPR, Appendix A at A-10.⁷ Nicor Gas submits that the Commission appropriately may consider this prior experience in developing a definition here, but notes (as did ComEd) that utilities may have limited or no available information from which it can identify customers as belonging to certain customer groups. *Id.* (“ComEd makes best efforts to obtain information on vulnerable customers, but such information remains limited due to the unavailability of certain information – such as age and English fluency – that would enable identification of vulnerable customers based on the factors identified above.”).

2. **Are there other undefined terms that are critical to understanding utility service affordability and/or the ability of customers to receive essential levels of electric, natural gas, water and sewer services and, if so, how should such terms be defined?**

Nicor Gas Response:

At this time, Nicor Gas has not identified “other undefined terms that are critical to understanding utility service affordability and/or the ability of customers to receive essential levels of electric, natural gas, water and sewer services.”

D. Information Collection and Reporting

1. **Please identify any changes that could be made to current information reporting requirements that would better inform the Commission regarding service affordability and/or the ability of customers to receive essential levels of utility services including the entities that should be required to provide the information. In your response please also address the format of such information collection, the authority for compelling the production of such information, and how the information should be publicly reported.**

Nicor Gas Response:

Pursuant to Section 280.180(h) of the Commission’s rules, 83 Ill. Adm. Code § 280.180(h), the Company submits winter termination and reconnection statistical reports by May 20 and November 20 of each year. Nicor Gas has no recommended changes to this reporting. The information that is the subject of this request may involve customer-specific financial information that is highly

⁷ Available at <https://www.icc.illinois.gov/downloads/public/2020%20ComEd%20AMI%20Report.pdf>.

sensitive and generally not within the possession or control of the utility. To the extent such information resides with third parties who are not public utilities or other entities subject to Commission jurisdiction and control, the authority of the Commission to require regular reporting of such information is not readily apparent. If the Commission determines that it can and should gather such information, it will be highly confidential and sensitive information that must be maintained in both a confidential and secure manner.

- 2. Please identify any additional information that might be collected that would better inform the Commission regarding service affordability and/or the ability of customers to receive essential levels of utility services including the entities that should be required to provide the information. In your response please also address the format of such information collection, the authority for compelling the production of such information, and how the information should be publicly reported.**

Nicor Gas Response:

Nicor Gas incorporates by reference its response to Question D1 above.

E. Assistance Programs

- 1. What assistance programs are available to residential customers that help them pay for utility service and receive a continuous supply of essential utility services and how effective are these programs?**

Nicor Gas Response:

The following energy assistance programs are currently available for Nicor Gas residential customers:

- Low Income Heating Assistance Program (“LIHEAP”)
- Percentage of Income Payment Plan (“PIPP”)
- Nicor Gas Sharing Program
- Nicor Gas Energy Aide Program
- Nicor Gas COVID-19 Bill Payment Assistance Program

Nicor Gas believes these programs are effective in reaching and providing financial assistance to the eligible and intended customers.

The Company actively works to promote these programs to customers in various ways, including through the following methods:

- Direct mailers and dialer calls to customers
- Bill messaging
- Electronic communications, such as E-Newsletters and Email Alerts
- Social media postings

- Dedicated energy assistance pages on the Company's website
- Focused COVID-19 assistance messaging on the Company's website
- Press Releases
- Partnering with agencies like the Salvation Army and the Community Action Agencies
- Grassroots outreach through organizations like local churches, chambers of commerce, schools, and food banks
- Increased awareness throughout the Company so that all employees who may interface with customers are informed and prepared with reference cards, flyers, and talking points, as applicable

As a result of these outreach and promotion efforts, Nicor Gas has experienced an increase in customers applying for LIHEAP and PIPP throughout the COVID-19 pandemic. Nicor Gas has also taken steps to expand the accessibility of the Company's energy assistance programs (*i.e.*, Nicor Gas Energy Aide Program and Nicor Gas Sharing Program) by increasing the income eligibility guidelines for these programs. As a result, more customers who receive assistance through LIHEAP/PIPP are also eligible to receive additional funding through these Company programs to offset higher arrearage amounts. In addition, customers who are not eligible to receive LIHEAP/PIPP may be eligible for energy assistance through one or more of the Company's programs. With the additional energy assistance that has recently been applied to eligible residential customer accounts, the Company's records reflect that many customers have zero to low balances going into the upcoming winter months.

2. What changes could make the programs more effective?

Nicor Gas Response:

Nicor Gas submits that one possible change to the existing programs would be to make applying for assistance more flexible for seniors and disabled, including special intake hours. Increased use of technology may be another resource to improve existing processes.

3. Identify appropriate criteria for evaluating program effectiveness.

Nicor Gas Response:

Nicor Gas submits that program effectiveness may be evaluated by reviewing whether eligible customers are receiving available energy assistance. At this time, Nicor Gas' customer information system contains codes that are used for tracking which residential customers have been qualified for energy assistance, how much assistance they have received, and from which of the energy assistance program(s) among those identified in the Company's response to Question E1. This tracking informs Nicor Gas about the amounts of energy assistance their customers are receiving and whether additional arrearages, if any, appear on those

customer accounts. That information, in turn, enables Nicor Gas to identify customers who may be eligible for additional assistance that may be available.

4. What portion of the eligible population is served by existing assistance programs?

Nicor Gas Response:

As of July 31, 2020, 4.2% of the eligible population of Nicor Gas customers has received energy assistance.

5. What outside sources of funding other than the identified assistance programs do residential customers use to pay past due utility bills, such as tax refunds, credit cards or personal loans?

Nicor Gas Response:

Payments are provided on behalf of customers by local townships, churches, and various other non-profit organizations.

6. Are there programs not currently available in Illinois, including programs adopted in other states, that could increase affordability and/or the ability of customers to receive essential levels of electric, natural gas, water and sewer services?

Nicor Gas Response:

Nicor Gas has identified that some states have a senior citizen's discount to help pay a portion of monthly utility base charges for income eligible seniors.

F. Credit and Collections Practices

1. Please identify and describe best collection practices and how existing collection practices can be improved.

Nicor Gas Response:

Nicor Gas engages in collection practices in accordance with the Commission's rules and Federal and State collection laws. Nicor Gas incorporates by reference its responses to Questions B1 and B3 above.

2. Please identify and describe any concerns regarding privacy associated with collecting, storing and/or sharing of consumer information.

Nicor Gas Response:

Utilities are subject to various legal obligations which prevent or limit the ability to disclose personal customer information without the consent of the customer.

See, e.g., 815 ILCS 505/2FFF; 815 ILCS 505/2HH; 220 ILCS 5/16-122. Utilities are also subject to various requirements pursuant to the Personal Information Protection Act with respect to maintaining the security of personal information and taking certain actions in the event of any breach of the security of system data. 815 ILCS 530/1 *et seq.* To the extent that personal customer information is collected and stored, there will be a concomitant obligation to use, maintain, store, and disclose such information consistent with all of these obligations. Personal customer information must be kept secure as well as confidential, and there may be substantial software and hardware costs associated with meeting such obligations. Certain information under discussion in this NOI, such as customer financial information, is highly sensitive and not currently maintained (or needed) by utilities in the ordinary course of business. Any consideration of measures that will call for collecting and storing customer personal information that is not currently collected and stored by utilities should be carefully considered and implemented only to meet a clear and compelling need and after consideration of all costs and benefits.

3. Within the following subjects as they relate to affordability, please identify and describe practices/concepts that are currently working well, areas that can be improved and ideas/plans for improvement:

a. Communications/Outreach

Nicor Gas Response:

Dialer calls have been very useful in educating customers about open enrollment for LIHEAP. Field employees have reference cards to provide to customers facing challenges that they encounter in the field. The Company also has an extensive range of flyers that are shared with local agencies to provide customers. Finally, educational emails regularly are sent to customers about available energy assistance programs, and the Company's website maintains information about all currently available programs and details on how to apply.⁸

b. CSR tools to identify consumer budget needs/challenges

Nicor Gas Response:

Call center employees are provided with News Flash reminders and talking points on current energy assistance programs and program changes. Additionally, notations are entered in the customer information system alerting employees to the delinquent status of accounts in case arrangements are needed. Training modules have been created for call center personnel covering available energy assistance programs.

⁸ See <https://www.nicorgas.com/residential/billingandpaymentoptions/energy-assistance-programs.html>.

c. Encouraging payment

Nicor Gas Response:

Nicor Gas incorporates by reference its response to Question B5 above.

d. Referrals to Community Services

Nicor Gas Response:

CSRs and local agencies have been made aware of programs and where to refer customers needing assistance.

e. Privacy and Consumer concerns about sharing data

Nicor Gas Response:

Nicor Gas incorporates by reference its response to Question F2 above.

G. Energy Efficiency Measures

1. What current utility energy efficiency programs aimed at increasing the affordability and/or the ability of customers to receive essential levels of electric services are available and how effective are they?

Nicor Gas Response:

Nicor Gas responds to this question with respect to natural gas services.

- The Nicor Gas Energy Efficiency Program (“EEP”) was extremely effective in serving 474,998 customers during the period from 1/1/2013 to 12/31/2019.
- For Income Qualified customers, Nicor Gas transitioned the legacy programs provided by the Illinois Department of Commerce and Economic Opportunity in June 2018.

Offering	2018 Participation	2019 Participation
CAA (Community Action Agencies)	SF* - 241 homes MF** - 96 units 1 building	SF - 389 homes MF - 1,126 units 77 buildings
CC (Contractor Channel)	<i>Offering began in 2019</i>	1,141 units 23 buildings
PHA (Public Housing Authorities)	189+ units 6 buildings	59 units 4 buildings
AHNC (Affordable Housing New Construction)	MF - 172 units 3 buildings	SF - 389 homes MF - 1,126 units 77 buildings

* SF = Single Family ** MF = Multi Family

- The Nicor Gas Energy Efficiency Program supports all customers by providing energy efficient measures and services which increase affordability to customers.

Program	Customer Participation
Market Transformation	Residential customers
Home Energy Rebates	Residential customers
Home Energy Efficiency Rebates	Residential customers
Home Energy Savings	Residential customers
Multi-Family	Residential customers
Residential New Construction	Residential customers
Elementary Energy Education	Elementary students
Energy Saving Kits	Residential customers
Income Qualified	Residential customers
Strategic Energy Management	Commercial/business customers
Business New Construction/Commercial Industrial New Construction	Commercial/business customers
Business Custom	Commercial/business customers
Retro-Commission	Commercial/business customers
Small Business	Business customers
Business Energy Rebates	Commercial/business customers

2. What energy efficiency information, surveys or other data are available that address the effect of utility energy efficiency program participation on affordability and/or the ability of customers to receive essential levels of electric services?

Nicor Gas Response:

Nicor Gas responds to this question with respect to natural gas services.

As part of Nicor Gas' ongoing commitment to understanding and improving the customer experience, the Nicor Gas EEP has contracted with market research firms in the past to conduct focus groups. In 2016 and 2017, Blackstone Group was hired to perform focus groups and conduct qualitative surveys for several EEP offerings, including the residential rebate offering, home assessments offering, smart thermostat rebates and low-income weatherization offering.

In general, related to this specific request, some key findings are noted below.

- Non-participant survey: Saving money is the top reason customers who have not yet participated would consider participating.
- Home assessment survey: The desire to save money and free products were the biggest drivers for getting a home assessment.

- Smart thermostat survey: Overall, rebates will counteract other concerns around smart thermostat functionality, as saving money is a key driver of energy efficiency.
- Weatherization interviews: Key drivers are saving money and increasing comfort levels in their home.

3. With respect to energy efficiency technology penetration:

a. How many customers continue to use incandescent light bulbs?

Nicor Gas Response:

Nicor Gas provides natural gas service to its customers and does not have knowledge or information regarding customer use of incandescent light bulbs.

b. How many customers have advanced thermostats?

Nicor Gas Response:

Nicor Gas has incentivized in total 59,618 advanced thermostats* since the offering became available in 2016.

Program Year	2016	2017	2018	2019	Total
Total	402	31,085	16,859	11,272	59,618

*Advanced thermostat is defined as a measure that characterizes the household energy savings from the installation of a new thermostat(s) for reduced heating and cooling consumption through a configurable schedule of temperature set points (like a programmable thermostat) and automatic variations to that schedule to better match HVAC system runtimes to meet occupant comfort needs.

c. What existing energy efficiency technologies, if more widely deployed, can increase affordability and/or the ability of customers to receive essential levels of electric services?

Nicor Gas Response:

Nicor Gas' Energy Efficiency department operates an Emerging Technology and Market Transformation program ("ETP"). Since inception, the program has evaluated approximately 300 technologies resulting in 136 new technologies or services ending up as formal applications to the ETP. From the 136 applications, some combination of 40 field, laboratory and engineering pilot projects resulted in 21 new measures added to the Statewide Technical Reference Manual. Below is the list of the most promising technologies:

- ETP evaluated High Efficiency Commercial Rooftop Units (“HE RTUs”) in the early days of the program. The technology will see an increase in adoption due to higher outdoor air requirements in the age of COVID-19. HE RTUs will yield significantly higher therm savings for customers in the commercial sector.
- ETP evaluated commercial ozone laundry technologies. As a result of the pilot project, Nicor Gas customers adopted the technology, widely saving significant therms for the program.
- ETP is completing the venturi steam traps pilot project, and it will provide significant therms savings for large commercial and industrial customers.
- ETP is finishing the development of an online pipe insulation calculator that will make savings calculations accurate and more accessible for the program implementers and customers.
- ETP is evaluating potentially breakthrough residential gas heat pump technologies for space and water heating. The technology holds a great promise to eventually double the equipment efficiencies.

4. What changes could be made to utility energy efficiency programs to make them more effective at increasing the affordability and/or the ability of customers to receive essential levels of electric services?

Nicor Gas Response:

- Nicor Gas is currently a leader in energy efficiency, has won multiple awards, and since 2013 has produced a very cost-effective portfolio under the current statutory budget restrictions (2% budget cap).
- Expanding the focus of EEP beyond just therm savings, and incorporating enhanced focus on Income Qualified customers, Carbon and Greenhouse Gas Reductions, and continued technology innovation would help provide a more comprehensive effort that is sustainable and over the long term assures that advances in energy efficiency are achieved by customers who are most vulnerable. This includes expanding investment in Income Qualified and hard to reach neighborhoods that provides equitable opportunities for these customers to take advantage of energy efficient solutions.
- Developing Market Transformation best practices and methods that deliver Market Transformation Initiative solutions that intervene in a market to create lasting change that results in the accelerated adoption of energy efficient products, services and practices, unit cost savings, and a more cost-effective portfolio.

- Investment in R&D/Emerging Technologies to advance the commercialization of new more efficient technology that advance building codes, reduce greenhouse gases, improve customer benefits and comfort, increase energy savings, and reduce the utility bill to the customer.
- Education and outreach for energy efficiency through residential and business behavior programs that touch the large share of the Company's customer base.
- Leveraging partnerships and funding with other utilities, community-based organizations, non-profit organizations, community action agencies, and many other funding sources.

5. How effective are weatherization programs currently available to customers at increasing affordability and/or the ability of customers to receive essential levels of electric and natural gas services?

Nicor Gas Response:

Nicor Gas weatherization programs are designed to provide home assessments to identify energy efficiency retro-fit opportunities within the home and to educate the homeowner or renter. All these services are free to Income Qualified customers. Opportunities include:

- Air sealing of homes (which tighten the building envelope reducing air leakage)
- Insulation of the building envelope (attic, wall, basement, duct sealing and mechanicals)
- Multi-family weatherization and in-unit improvements (homeowner or renter)
- Direct installation is performed by a trained technician that installs water saving measures (showerheads and faucet aerators) thermostats or advanced thermostats and pipe wrap

Customer Type	Therms Saved	Incentive	Customers Serviced
Nicor Gas Customers	701,528	\$1,352,340	5,847
Income Qualified Customers	220,302	\$1,135,874	1,208

6. Identify obstacles faced by low-income consumers that prevent them from participating in weatherization programs?

Nicor Gas Response:

Pre-existing conditions in customers' homes that might prevent the completion of comprehensive retrofits include:

- Mold damage
- Lead paint removal needed
- Water damage
- Asbestos
- Extensive roof repair / replacement needs (most replacements = \$10,000+)
- Major plumbing issues
- Major electrical issues
- Structural issues
- Sanitation/health issues that might pose a risk to contractors' health while working in the home (*e.g.*, rodent infestation, hoarding)

Aside from pre-existing conditions, other variables that might impact consumers' ability to participate in weatherization programs might include:

- Due to COVID-19, at risk communities like elder Public Housing Communities ("PHA") communities are waiting to be served until after the pandemic subsides
- Ease of access to service providers (*e.g.*, scheduling/availability during work hours, transit)
- Awareness of programs

7. What changes could be made to weatherization programs to make them more effective at increasing the affordability and/or the ability of customers to receive essential levels of electric services?

Nicor Gas Response:

If additional funding was available to address health and safety issues, such as mold damage, lead paint, water damage, asbestos, extensive roof repair/replacement, major plumbing issues, major electrical issues, structural issues, sanitation and health issues posed to contractors working in the home, the program can serve more customers.

By addressing these health and safety issues within the home, the program would be focused on the overall home as a system. This approach would address the energy efficiency needs of the Company's Income Qualified customers while also addressing indoor air quality issues, asthma, pest infestation, all contributing to a healthy home environment. This, in turn, should result in less doctor visits, hospital stays, time off school or parent absenteeism from work.

H. Distributed and Community Solar

1. What distributed and community solar programs are currently available to customers that increase affordability and/or the ability of customers to receive essential levels of electric services, how effective are the programs at achieving these objectives, and what changes could make the programs more effective?

Nicor Gas Response:

Nicor Gas provides natural gas service to its customers and does not have knowledge or information regarding distributed and community solar programs available to its customers.

- 2. Are there programs not currently available in Illinois, including programs adopted in other states, that could increase affordability and/or the ability of customers to receive essential levels of electric services?**

Nicor Gas Response:

Nicor Gas provides natural gas service to its customers and does not have knowledge or information regarding programs not available in Illinois, including programs adopted in other states, that could impact the affordability or ability of customers to receive essential levels of electric services.

III. CONCLUSION

Northern Illinois Gas Company d/b/a Nicor Gas Company appreciates the opportunity to provide these Initial Comments in response to the Commission's Notice of Inquiry and looks forward to continued dialogue regarding the issues addressed herein.

Dated: September 29, 2020

Respectfully submitted,

NORTHERN ILLINOIS GAS COMPANY
D/B/A NICOR GAS COMPANY

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